

Gridley Telephone Company
2000 ROR Based on Staff Proposed USF

Docket Nos. 00-0233 & 00-0035 (Consolidated)
Gridley Telephone Company Exhibit 7.0
Schedule 7.01
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Line #	Description	Source	Year 1	Year 5
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 2,270,734	\$ 2,270,734
2	Materials and Supplies Inventory	Page 2, 13-Month Average	56,712	56,712
3	Customer Deposits	Form 23A, P 8, 4040	1,357	1,357
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4	2,326,089	2,326,089
6	Working Capital Requirement			
7	Total Operating Expenses	Form 23A, P 14, Total	2,160,506	2,160,506
8	Less: Depreciation Expense	Form 23A, P 13, 6560	601,265	601,265
9	Total WC Operating Expense	line 7 - line 8	1,559,241	1,559,241
10	WC OE Requirement	line 9 * 45 / 360	194,905	194,905
11	Commission-Ordered Cash Balance Req.		-	-
12	Total Working Capital Requirement	line 10 + line 11	194,905	194,905
13	Total Rate Base	line 5 + line 12	2,520,994	2,520,994
14	Total Operating Revenues	Form 23A, P 11, Total	2,926,532	2,926,532
15	Less: Illinois High Cost Fund		586,344	586,344
15a	Less: Revenue Changes	Gridley Exhibit 4, Schedule 4.01	221,106	221,106
16	Net Restate 2000 Operating Revenues	line 14 - line 15- line 15a	2,119,082	2,119,082
16a	Staff Proposed Illinois USF	Staff Testimony	215,735	-
16b	Net Operating Revenues	line 16 + line 16a	2,334,817	2,119,082
17	Total Operating Expenses	Form 23A, P 14, Total	2,160,506	2,160,506
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	11,472	11,472
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	162,839	(52,896)
21	Income Tax Expense	line 34	63,082	(20,491)
22	Net Operating Income	line 20 - line 21	99,757	(32,405)
23	Return on Rate Base	line 22 / line 13	3.96%	-1.29%
24	After-tax Cost of Capital		11.21%	11.21%
25	Target Net Operating Income	line 24 * line 13	282,603	282,603
26	Adj to Achieve Target Return on RB	line 25 - line 22	182,846	315,008
27	Gross Revenue Conversion Factor	line 35	1,6324	1,6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27	298,478	514,219
29	Calculation of Income Tax Expense			
30	Net Op Inc before Inc Taxes	line 20	162,839	(52,896)
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%	11,692	(3,798)
32	Net Op Inc before Fed Inc Tax	line 30 - line 31	151,147	(49,098)
33	Federal Income Tax Expense	line 32 * 34.00%	51,390	(16,693)
34	Total Imputed Income Tax Expense	line 31 + line 33	63,082	(20,491)
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))	1.6324	1.6324